



160 St. Ronan Street, New Haven, CT 06511-2390 (203) 865-0587 FAX (203) 865-4997

**Testimony of the Connecticut State Medical Society  
In support of  
SB 405, AAC Targeted Health Areas**

**Commerce Committee  
March 15, 2012**

Senator LeBeau, Representative Berger and members of the Commerce Committee, on behalf of the more than 7,000 physicians and physicians-in-training of the Connecticut State Medical Society, thank you for the opportunity to testify in strong support of Senate Bill 405, An Act Concerning Targeted Health Areas. I am Matthew Katz, executive vice president and CEO of CSMS.

It is somewhat unusual for physicians to come before this committee. There are some key facts we would like you to be aware of concerning physicians and our Connecticut economy. The majority of Connecticut medical practices are not large medical groups – they are small practices with between one and four physicians. Each is a small business like the other small businesses that come before this committee, with electric bills, rent and the other overhead – and work weeks that are far beyond 40 hours. Last year, a study by The Lewin Group found:

- These small physician practices account for almost 52,000 Connecticut jobs.
- Each office-based physician in Connecticut supports nearly five jobs in addition to his or her own.
- Overall, office-based physicians generate over 6% of the state's GDP, and \$10 billion in wages and benefits.

Unfortunately, Connecticut's physician population is graying faster than it is being replaced. The American Medical Association estimates that half of our physicians are age 55. All of those small practices are under great pressure to invest in electronic medical record systems while they ride a financial rollercoaster related to threatened Medicare payment cuts.

Our organization conducted two important surveys of the physician workforce overall and primary care physicians and the outlook was bleak – not only for physicians, but for Connecticut patients.

- 19% of physicians were contemplating a career change
- 1 in 4 primary care physicians is not accepting new patients
- More than 90% of respondents in Litchfield, New London and Windham counties reported difficulty recruiting physicians

The bottom line: Connecticut patients are having difficulty getting the medical care they need, especially certain populations in certain areas; medical practices are having difficulty attracting and retaining physicians. If these practices fail, jobs will be lost and access to care declines farther.

This is the backdrop against which to consider Senate Bill 405, An Act Concerning Targeted Health Areas. We believe this legislation could significantly improve health outcomes for medically

underserved populations while preserving jobs in physician offices and making Connecticut a more competitive place to bring new physicians to practice medicine.

Because Senate Bill 405 is, at its core, a jobs bill that improves public health, having the commissioners of the departments of Economic and Community Development, Public Health, and Social Services work together with CSMS to determine which municipalities should be designated Targeted Health Areas is critical. DECD has the right expertise to work with small businesses on the loans and grants proposed in the bill, and to tailor them to fit each practice's needs. The legislation also contemplates removing the Targeted Health Area designation after five years when health outcomes improve – with regular reporting along the way to committees of cognizance so you know exactly how this program is working.

Medically underserved communities can be rural or urban. They may be children with asthma who don't have enough pulmonologists or communities with high prevalence of diabetes that don't have enough endocrinologists to work with them to get their condition under control. Or it may be as simple as not having enough primary care physicians to be able to get an appointment within a three-week window – or whatever timeframe the commissioners deem appropriate. We have an idea where some of these places are, and where know where our workforce is strongest and weakest.

Together the combination of revolving loans, hiring incentives and matching grants demonstrates that one size does not fit all medical practices in helping them succeed. One practice may need help coming up with the capital to purchase an electronic medical records system; another may need to build out new space for additional examination rooms. What we know is that access to capital is a great challenge for small medical practices. Removing that barrier to success would help keep them viable – so they can continue to care for the patients who need them.

The hiring incentive loans contained in Senate Bill 405 are more flexible than the traditional programs that are usually made available only to young physicians just starting to practice independently. These loans can be used for whatever sort of incentives a practice needs to bring in additional physicians – whether they are already practicing elsewhere or just completing their residency, in Connecticut or elsewhere. This is important flexibility.

If Connecticut's small medical practices fail, we will lose access to care – and we will lose jobs. Not only physicians' jobs but those who support them, the nurses and other allied health professionals, as well as those dedicated staff who answer phones, check in patients when they arrive at the office and those that help get medical services approved for patients by talking to insurers.

We are grateful to Senator LeBeau and Representative Berger for being open to considering a proposal like this that improves public health as it strengthens our economy and ensures that today and especially tomorrow the residents of Connecticut will have access to medical care services and not have to leave their communities or the state for medical care. We urge you to pass Senate Bill 405 for the patients and physicians of Connecticut.